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France

Oilseeds and Products

Record Rapeseed Crop Expected in France in 2005 2005

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Report Highlights:

A record rapeseed crop is expected in France in 2005. Estimates by the French Ministry of Agriculture put 2005 rapeseed crop at 4.2 million MT (up 5 percent). Germany, with a declining crop and with great demand by the biodiesel industry, is expected to import larger quantities of rapeseed from France in 2005/06. Prices and availability of soybean meal on the French market will be determinant in the choice between rapeseed meal and soybean meal in animal feed rations.

Includes PSD Changes: No
Includes Trade Matrix: No
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As expected in FR5018 dated July 3, and despite drought, 2005 is expected to be a record year for French **rapeseed crop**. As all rapeseed has now been harvested, the French Ministry of Agriculture published in mid August its preliminary estimate of 4.20 million MT, a 5 percent increase from 2004. This resulted from both expanded acreage and better yields. The dry weather conditions of 2005 negatively impacted diseases, and therefore favored yields.

This large crop is likely to result in strong crush and exports. French rapeseed crush was already at its maximum at 2 million MT in 2004/05, boosted by the growing demand from the French biodiesel industry. Exports are expected to increase more specifically to Germany and Poland, where Eurostat estimates rapeseed harvests are down significantly. The German demand for rapeseed is high, since biodiesel production capacity in this country has significantly increased in the past few years.

Whether the large French crop would result in substitution of soybean meal with rapeseed meal in animal feed rations (see FR5046 dated June 30), as was the case in 2004/05, is uncertain. It will depend on the availability and prices for soybean meal on the French market.

Although **sunflower seed** is not ready to be harvested yet, French MinAg's preliminary estimate is for 1.49 million MT, slightly higher than in 2004. This increased crop would result from higher acreage, combined with lower yields, limited by drought. The increase in French sunflower seed production in 2005 is likely to increase shipments to Spain, which crop has been severely hit by drought. However, French sunflower seeds are likely to compete with Russian and Ukrainian seeds on the Spanish market, as harvests in the Black Sea area are expected to be very good.